

66 FR 32776, June 18, 2001 it was furthered delayed until Aug. 17, 2001, and at 66 FR 43090, Aug. 17, 2001 it was furthered delayed until Aug. 16, 2002.

§ 434.76 Costs under fiscal agent contracts.

Under each contract with a fiscal agent—

(a) The amount paid to the provider of medical services is a medical assistance cost; and

(b) The amount paid to the contractor for performing the agreed-upon functions is an administrative cost.

§ 434.78 Right to reconsideration of disallowance.

A Medicaid agency dissatisfied with a disallowance of FFP under this subpart may request and will be granted reconsideration in accordance with 45 CFR part 16.

§ 434.80 Condition for FFP in contracts with HMOs.

(a) *Basic rule.* FFP in payments to an HMO is available only if the agency excludes from participation as such an entity any entity described in paragraph (b) of this section.

(b) *Entities that must be excluded.* (1) An entity that could be excluded under section 1128(b)(8) of the Act as being controlled by a sanctioned individual.

(2) An entity that has a substantial contractual relationship as defined in § 431.55(h)(2), either directly or indirectly, with an individual convicted of certain crimes as described in section 1128(b)(8)(B) of the Act.

(3) An entity that employs or contracts, directly or indirectly, with one of the following:

(i) Any individual or entity excluded from Medicaid participation under section 1128 or section 1128A of the Act for the furnishing of health care, utilization review, medical social work, or administrative services.

(ii) Any entity for the provision through an excluded individual or entity of services described in paragraph (b)(3)(i) of this section.

[59 FR 36085, July 15, 1994]

EFFECTIVE DATE NOTE: At 66 FR 6404, Jan. 19, 2001, § 434.80 was removed, effective April 19, 2001. At 66 FR 11546, Feb. 26, 2001 the effective date was delayed until June 18, 2001, at

66 FR 32776, June 18, 2001 it was furthered delayed until Aug. 17, 2001, and at 66 FR 43090, Aug. 17, 2001 it was furthered delayed until Aug. 16, 2002.

PART 435—ELIGIBILITY IN THE STATES, DISTRICT OF COLUMBIA, THE NORTHERN MARIANA ISLANDS, AND AMERICAN SAMOA

Subpart A—General Provisions and Definitions

Sec.

435.2 Purpose and applicability.

435.3 Basis.

435.4 Definitions and use of terms.

435.10 State plan requirements.

Subpart B—Mandatory Coverage of the Categorically Needy

435.100 Scope.

MANDATORY COVERAGE OF FAMILIES AND CHILDREN

435.110 Individuals receiving aid to families with dependent children.

435.112 Families terminated from AFDC because of increased earnings or hours of employment.

435.113 Individuals who are ineligible for AFDC because of requirements that do not apply under title XIX of the Act.

435.114 Individuals who would be eligible for AFDC except for increased OASDI income under Pub. L. 92-336 (July 1, 1972).

435.115 Individuals deemed to be receiving AFDC.

MANDATORY COVERAGE OF PREGNANT WOMEN, CHILDREN UNDER 8, AND NEWBORN CHILDREN

435.116 Qualified pregnant women and children who are not qualified family members.

435.117 Newborn children.

MANDATORY COVERAGE OF QUALIFIED FAMILY MEMBERS

435.119 Qualified family members.

MANDATORY COVERAGE OF THE AGED, BLIND, AND DISABLED

435.120 Individuals receiving SSI.

435.121 Individuals in States using more restrictive requirements for Medicaid than the SSI requirements.

435.122 Individuals who are ineligible for SSI or optional State supplements because of requirements that do not apply under title XIX of the Act.

435.130 Individuals receiving mandatory State supplements.

435.131 Individuals eligible as essential spouses in December 1973.